

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Re
1.9.
Su 3.

Reserve
1.956
Su 3 Su 33

SUGAR REPORTS

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE
SUGAR DIVISION

WASHINGTON, D. C.

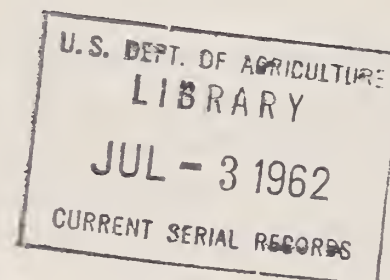
FEBRUARY 1962

NO. 118

CONTENTS

PAGES

1. MARKET REVIEW	2 - 5
2. A SUGAR IMPORT FEE	6 - 15
3. THE POSSIBILITIES OF A SUGAR BEET INDUSTRY IN MISSOURI	16 - 23
4. (a) ACTIONS RELATING TO 1962 SUGAR SUPPLIES Continuation of Sequence Following Sugar Act Amendment of March 31, 1961	24 - 27
(b) OTHER ADMINISTRATIVE ACTIONS	28
5. STATISTICAL SERIES	29 - 43
(a) Highlights	29
(b) Supply and Disposition Summary: January-December 1961	30
(c) Disposition and stocks: January-December 1961 and 1960	31
January 1962	31
(d) Mainland Production and Quota Charges: January-December 1961 and 1960	32
(e) Refiners' and Importers' receipts by Source of supply: January-December 1961 and 1960	32
(f) Status of Quota and Non-quota Purchase sugar to February 16, 1962	33 - 34
to end January 1962	35 - 36
(g) Deliveries by States: December and fourth quarter 1961	37 - 38
Calendar year 1961 and 1960	39 - 40
(h) Sugar Prices by Areas	41
(i) Refined sugar production and stocks	42
6. ADDENDA: Insert as pages 29 and 30 Sugar Reports January 1962 for completion of Reference Guide	43 - 44



MARKET REVIEW

Deliveries of sugar for U. S. consumption in 1962 through February 17 totaled 974,000 tons or just 13,000 tons less than during the same period last year. Refiners' deliveries were 25,000 tons above those of last year while deliveries by other primary distributors were slightly lower.

Final reports of 1961 calendar year deliveries for U. S. consumption show a total of 9,612,000 tons, raw value, an increase of 3.8 percent from the prior year. Importers' deliveries for direct consumption were down by 270,000 tons. The total increase of 622,000 tons for the three other groups of primary distributors was shared as follows: beet sugar, 443,000 tons; refiners, 160,000 tons; mainland cane mills, about 19,000 tons.

All regions received more sugar in 1961 than in 1960 but more than three-fourths of the total increase of 352,000 tons occurred in the North Central and Western States (183,000 and 95,000 tons, respectively). Furthermore, almost half of the total increase went to the two states of Illinois (90,000 tons) and California (70,000 tons) and was accounted for mainly by beet sugar.

Beet sugar deliveries into California and Illinois attained their largest volumes on record, yet national marketings were such that a market had to be found outside these two large beet sugar consuming States for 57.9 percent of the total, the largest percentage of total sales accounted for by states other than California and Illinois since 1954. That market was found very largely in Michigan, Ohio, New York and Pennsylvania. The changes in beet sugar deliveries from 1960 to 1961 and from the 1956-60 average to 1961 to these groups of States are shown on page 3.

Increases in cane refiners' deliveries from 1960 to 1961 occurred primarily in the South, Middle Atlantic States and New England, about 120,000 tons in each of the first two regions and 13,000 tons in the latter region. In each of these regions the drop in importers' deliveries was more than 80 percent as great as the increase for refiners. Refiners' deliveries to Michigan and Ohio dropped about 100,000 tons. The changes in total cane sugar deliveries to other states, collectively, were nominal.

Group of States	Increases 1961 over			
	1960		1956-60 average	
	<u>Tons</u>	<u>Percent</u>	<u>Tons</u>	<u>Percent</u>
Michigan, Ohio				
New York, Pennsylvania	178,000	75	190,000	85
California and Illinois	144,000	15	134,000	14
All other States	<u>121,000</u>	<u>12</u>	<u>151,000</u>	<u>16</u>
	443,000	20	475,000	22

The only basis price announcement in February was the cancellation of the 0.10 cent increase in both beet and cane wholesale sugar prices for California, Arizona and Nevada previously announced to be effective January 29, 1961. Both beet and cane sugar continue to be quoted at 8.80 cents per pound in those states. In the balance of the Pacific Coast territory, beet sugar is listed at 8.90 cents per pound. Cane sugar is quoted at 8.90 cents in Oregon and Washington but at 9.00 cents in other states of the Northwest and Intermountain territory.

Current wholesale prices for refined cane sugar in 100 pound bags continue to be quoted at 9.50 cents in the Northeast, 9.10 cents in the Southeast and 9.00 cents in the Gulf. In the Chicago-West territory the quoted price for refined cane sugar is 9.00 cents and for beet sugar 8.80 cents per pound. The direct delivered price in the Chicago switching district continues at 9.40 and 9.20 cents for refined cane and beet sugar, respectively. Eastern beet sugar continues to be quoted at 8.95 cents per pound.

During January-February 1961 the wholesale refined cane sugar price at New York averaged 9.55 cents per pound, 0.11 cent higher than the comparable average for 1962. The differential between refined and raw sugar prices at New York for the first two months of 1962 was 3.03 cents or .16 cent less than for the same period in 1961.

The spot price for raw sugar at New York was 6.40 cents per pound from January 29 through February 13 and 6.35 cents thereafter, indicating a February average of 6.37 cents per pound and a January-February average of 6.41 cents. The average raw sugar price during January-February 1961 was 6.36 cents.

Spot quotations for world raw sugar for the No. 8 contract on the New York Coffee and Sugar Exchange declined from a high of 2.45 cents per pound f.o.b. Caribbean ports which prevailed from January 5 to January 10 to a low of 2.05 cents on January 30, then rebounded to 2.21 on January 31. The upward trend continued to 2.50 cents on February 23.

On January 30 an announcement was made that Cuba would have no more sugar to sell during 1962. The reason given was that Cuban production in 1962 would be smaller than previously anticipated. Later Cuba announced that it would withdraw 500,000 metric tons from sales previously made to communist satellite countries.

Several opinions are expressed by the trade as the reason for this latest move, i.e. (1) that the Cuban crop may not reach 5 million Spanish long tons; (2) that Cuba needs cash sales to provide foreign exchange; and (3) that Cuba wanted to reduce supplies in the hands of weak sellers in the eastern European bloc. Some Cuban sales are reported to have been made on a price average basis and Cuba is anxious to improve world prices.

Sugar production in the Soviet Union, for the calendar year 1961, amounted to 8,400,000 metric tons (white sugar) according to the Soviet press. This includes beet sugar production and cane sugar refining. The amount of each is shown below with comparisons for the three preceding years:

<u>Calendar year</u>	<u>Beet sugar production</u>	<u>Cane sugar refining</u>	<u>Total</u>
	<u>1,000 metric tons, white sugar</u>		
1961	6,100	2,300	8,400
1960	5,264	1,094	6,358
1959	5,993		5,993
1958	5,246	187	5,433

Soviet sugar exports during the first half of 1961 exceeded those of the first half of 1960 by 208,000 tons. Export data for the second half of 1961 have not yet been reported. It is clear, however, that only a small portion of the 2 million ton increase in Soviet beet sugar production and cane sugar refining was exported to countries other than Red China during that period.

Cuba reported 1961 exports of 3,302,900 metric tons of raw cane sugar to the U.S.S.R. Thus about one million tons of raw cane sugar less any portion transshipped to Red China appear to have been held in the U.S.S.R. at the end of the year.

The Soviet retail price for sugar continues at surprisingly high levels. A very recent German source puts it at five times the German sugar retail price or 67.5 cents per pound compared with a recent U. S. retail price of 11.6 cents per pound.

The Twelfth Session of the International Sugar Council is scheduled for March 19 and 20 in London. Items on the agenda call for preparation of the list of the provisions of the Agreement that will be inoperative in 1962 and 1963, review of the market situation, and estimation of the 1962 net import requirements and available supplies of the free market. Consideration will also be given to matters referred to the Council in the Resolutions adopted at the United Nations Conference in Geneva last fall.

X A SUGAR IMPORT FEE X

An address by Lawrence Myers, Director, Sugar Division
Agricultural Stabilization and Conservation Service, U. S.
Department of Agriculture, before the Sugar Club, New
York City, Thursday, February 15, 1962

Mr. President, fellow members and guests of the Sugar Club:

I appreciate the opportunity you have given me to discuss the background of one of the proposed changes in the Sugar Act.

In his budget message on January 18 President Kennedy made the following statement with respect to new sugar legislation:

"The Sugar Act expires on June 30, 1962. Legislation will be proposed extending it with substantial revisions to bring this program into line with the greatly changed world sugar situation. Under this legislation the difference between the domestic and world price of sugar, which is currently received by foreign suppliers of sugar, will be retained by the United States to the extent permitted by existing international agreements, with an estimated increase in 1963 budget receipts of \$180,000,000."

This proposal of the President is similar to, though broader than the **amendment** sponsored by Senators Douglas and Fulbright and recommended without a dissenting vote by the Senate Finance Committee in March 1961, when the Sugar Act was last extended. That amendment was as follows:

"As a condition for the importation of any quantity of nonquota purchase sugar from any foreign countries as provided in this subsection, a fee of approximately the difference between the world price and the domestic price of raw sugar, as determined by the Secretary, shall be paid to the United States by the person applying for release of such quantity of sugar."

The amendment was voted down in the Senate at the strong urging of the Administration on the ground that inadequate time remained to study and

debate the proposal before the lapse of the legislation. You will recall that the bill extending the Act was signed into law a few short hours before the legislation would have expired.

Before going into background matters, it is of interest to observe some of the first reactions to President Kennedy's statement.

Naturally, the recommendation is opposed by foreign exporters who have, or anticipate quotas to sell the sugar for consumption in the United States. Our foreign suppliers receive more than twice the world price for the sugar they sell us. For that reason all exporters and potential exporters want to be included in our system with their marketing rights protected by law. Accordingly, in examining the matter from the standpoint of domestic interests we must exclude both foreign suppliers and those members of the domestic industry who are directly or indirectly concerned with foreign production.

Some profess to see in the President's proposal a threat to the entire protective system afforded domestic sugar producers. It has even been suggested that adoption of the proposal will result in the termination of Sugar Act payments to domestic growers. Frankly, I do not think a single one of these foreboding interpretations is valid. The President's proposal carries no suggestion of any reduction in the amount or effectiveness of the protection afforded the domestic grower of sugarcane or sugar beets.

A second group of reactions is that the proposal would involve hazardous but unexplained complexities in market procedures and that it would result in price fixing, personalized prices and new price risks. Again the basis for the fears is not evident since the present system can be criticized in the same way with equal validity.

Finally, it has been contended that the proposal would endanger our supplies. This is really difficult to understand when the proposed system is contrasted with the present one under which prices are supported entirely through the tightening of supplies in the domestic market.

Since one of our good friends is quoted in the newspapers as having stated that the proposal was made by "college boys", I hope that we can study the matter with academic impartiality and dispassion. I am sure our friend did not realize how many supporters he would make for the proposal from among those in the baldheaded row.

The President's statement that the difference between the domestic price and the world price of sugar will be retained by the United States clearly implies the imposition of an import fee. Let us note the possible mechanics. (a) The import fee could operate exactly as the tariff operates. Certainly that would involve no new set of mechanics for importers or refiners. (b) If it should be preferred by the industry, the import fee could operate in the same manner as the one applied to importations of non-quota sugar from the Dominican Republic in 1960 and the first quarter of 1961. Again, no new mechanics would be required. (c) Still depending upon the preferences of importers and refiners, the fee could be fixed at the time of purchase by providing for proper notification of purchase and the guaranteeing of subsequent importation by a performance bond. The mechanical features should involve neither serious procedural complications nor increased price hazards. Indeed a fee system could involve fewer complications and fewer hazards than today's program.

One member of the sugar industry has suggested that the objective be met by a simple increase in the tariff. Much could be said in favor of old time tariff protection from the standpoint of simplifying the work of government. A fixed tariff, however, would not protect the domestic producers adequately when there is a major decline in world sugar prices and it would burden domestic consumers unnecessarily if there should be a major increase in world prices. It would seem preferable, therefore to make the fee subject to adjustments to offset major changes in world sugar prices.

This country's import program under the Sugar Act has been discussed in the context of foreign aid and foreign trade. As Senator Douglas pointed out in his debate last March, the price this country pays foreign producers for sugar consists of two parts: (a) the world price or trade part and (b) the quota premium or foreign aid part. The President's proposal would separate these two parts. Thereafter the sugar economy would be permitted to function free from the impediments of a foreign aid program -- and foreign aid would be carried out as a separate program on its own merits. United States imports of sugar would no longer be accepted as the measurement of a foreign country's need for aid from the United States.

The history of the sugar quota program throws light on its nature and purpose. Our special sugar legislation first appeared as the Jones-

Costigan amendment to the Agricultural Adjustment Act of 1933. Now it is interesting to note that the Agricultural Adjustment Act was designed to deal with the "present acute economic emergency" then existing.

It would have been a simple matter to have developed a program to deal with the "acute economic emergency" as it affected our domestic sugar producers without attempting to aid others. However, our Nation was greatly concerned with the economic disaster that had befallen Cuba. Therefore the major effort in formulating the sugar program was to benefit Cuban producers as well as the producers of the United States which then included the Philippines. At that time Cuba supplied over 99 percent of all sugar imports to the United States from foreign countries. Now, after 28 years and the loss of Cuba, we are trying to carry on the program as though there had been no change since the time it was developed to lift the Cuban sugar industry out of the depression.

The program started out with modest import restrictions and modest price premiums but there were successive reductions in the tariff which necessitated tighter and tighter quota controls in order to maintain domestic prices. Paradoxically, this shift from moderate tariff protection and moderate quota controls to low tariff protection and tight quota controls (which was a shift to tighter trade restrictions) was made under a program intended to liberalize trade and to reduce trade barriers.

In the post-war period under the Sugar Act of 1948 emphasis was placed upon the dependability of Cuban supplies. Pre-Castro Cuba had stood beside the United States and had supplied us sugar at reasonable prices during two world wars and was destined to do so during the period of fighting in Korea and during the Hungarian-Suez crises. It was recognized, therefore, that the quota premium at that time not only constituted foreign aid but also provided supply insurance. Cuba, producing 6,000,000 tons of sugar annually and located 90 miles off our coast, had the ability and the willingness necessary to guarantee supplies for the American market. No other country has that ability. Alternative suppliers have small reserves, are located far away or both.

If we are honest with ourselves in a review of the sugar import quota program, we must admit that it has been successful both as to price and as to supply as a result of the intelligent actions and cooperation of the

pre-Castro Cuban sugar industry. The Cuban Sugar Stabilization Institute saw to it that our sugar requirements were met at all times except when the shipping shortages of World War II interfered. In 1941 when our requirements suddenly shot upward by 1,000,000 tons, Cuba supplied 900,000 tons of the increase. In 1947 when decontrol caused our requirements to rise by 1.75 million tons, Cuba supplied 1.50 million tons of the increase. Again in 1950 when the Korean War broke out Cuba not only assured us of our stated requirements but sold us an additional 600,000 tons to use for stabilization purposes.

Our sugar program has worked. Domestic producers have enjoyed the benefits of price stability and domestic consumers have enjoyed adequate and stable supplies. Not surprisingly, therefore, it is asked "why rock the boat?" The answer is Mr. Fidel Castro. He and his fellow Communists not merely rocked the boat, they sank it. Almost immediately after Castro came into power in January 1959, Cuba started to shift its sugar economy into the Communist orbit. This country reacted slowly. However, it finally recognized that Cuba was no longer a dependable source of supply for sugar and in July 1960 provided that supplies should come from other sources. The United States must readjust its thinking on the entire sugar program to the realities of today.

One aspect of our sugar import quota program has been its cost. Since the quota program has been in effect Cuba has received price premiums on the sugar it sold for consumption in the United States of more than \$1 billion. We can label as absurdities the charges of the Cuban Communists that these price premiums enslaved Cuba and forced it to continue a one crop economy. On the other hand, we are forced to admit that the billion dollars we have paid Cuba in the form of price premiums did not prevent Communism from coming to Cuba. Under recent extensions of the Sugar Act other countries have been given increasing shares in the United States market. When this country stopped buying Cuban sugar in 1960 the Cuban quota was reallocated to other countries. Thereupon such other countries became the recipients of the price premiums previously paid Cuba.

In 1961 the price premiums paid on our imports from foreign countries amounted to \$200 million. These price premiums were foreign relief expenditures by American consumers. Possibly such foreign relief, measured by our sugar imports, went only to the countries that needed it most and ended up financing the best of all possible projects for economic and social development. Possibly the stoppage of our sugar im-

ports from Cuba coincided precisely with the time that relief expenditures should have been shifted from Cuba to other recipient countries. I shall not undertake to disprove such hypotheses and certainly I shall not attempt to substantiate them. Surely, however, all Americans will agree that the \$250 million in sugar price premiums this country paid to Castro's Cuba in 1959 and 1960 and which Castro used for the purpose of saddling Communism onto Cuba were not spent in this country's best interests.

The reallocation to other countries of the Cuban quota with its price premiums has brought both pleasure and disappointment to foreign sugar exporters. In 1961, 28 countries applied for reallocations of the Cuban quota. The applications from those specifying quantities exceeded 5 million tons. An additional number of countries did not give specific figures. The quantity imported to replace Cuban sugar approximated 3,000,000 tons. Many foreign sellers were disappointed, to put it mildly. It would not be possible to satisfy the demands of foreign sugar exporters for United States quotas unless this country could purchase the entire world sugar surplus on a continuing basis.

Let me touch on the somewhat related criticism that our price premiums are causing foreign producers to expand production. Actually, if quota premiums are continued, this country may find itself charged with being the cause of low world prices and with being morally obligated to purchase the world sugar surplus. This danger will remain despite any warnings this country may issue.

The so-called barter program is, of course, an effort to salvage something of value for American agriculture out of the quota premiums being paid to foreign exporters.

As sugar people, you members of the Sugar Club have only incidental interests in the cost and foreign relations aspects of the sugar program. Therefore, let us examine the matter now from the more narrow standpoint of its effects on our sugar supplies and the sugar trade.

While the United States obtained 3,000,000 tons of sugar annually from Cuba and could obtain practically unlimited additional quantities when needed, it was not vital whether some of our other suppliers marketed their sugar early or late, or whether they filled their quotas in whole or in part. With Cuba in Communist hands, this country has lost its ever dependable sugar bowl and the governor on its sugar market. We must now go to smaller suppliers frequently in far away places.

Sugar could be shipped from Cuba to New Orleans over a weekend or to north of Hatteras refiners in four to six days. An important part of our substitute supplies last year were on the water four to six weeks. In fact, some of the sugar reallocated on June 1 did not start to arrive until October.

We must now attempt to anticipate our supply requirements months in advance. However, lead time is not all that we need. Who among you forecast the outbreak of fighting in Korea or the Hungarian revolt four months in advance? Each brought on a wave of sugar buying. Who is going to tell us the exact level of demand four months from now and four months from tomorrow and from tomorrow's tomorrow. Perhaps as has been suggested, you refiners will be prepared to build huge warehouses and carry reserve supplies to meet unforeseen upsurges in demand. Either we must carry huge stocks of sugar in this country to meet such requirements or we must have flexibility in obtaining supplies from foreign countries. The third choice is to endanger our supplies. Today our import supplies are divided into a number of watertight compartments. This is necessary if the present quota system is to be effective in supporting prices but it involves risks to long and thin supply lines.

In a good many of the discussions the import fee proposal has been referred to as a global quota plan. The imposition of an import fee that would absorb the premium of domestic over world prices would, of course, make foreign country quotas unnecessary as a price raising device. Under such a system individual foreign country quotas presumably would be dispensed with and importers would be free to buy from any friendly foreign raw sugar exporter.

Now let us examine more carefully the argument that the United States cannot buy foreign sugar unless it pays a premium over the world price. That argument should be hard for any American to take. Stated bluntly, it means that foreign sugar exporters will refuse to sell to the United States at the same price in terms of U. S. dollars at which they make sales to other countries.

Let us agree that some countries may drop out of the export business rather than to sell at today's low world price. If a sufficient number drop out, the world price will improve. That would be constructive. This country is a member of the International Sugar Agreement which has the objective of keeping world prices within a range of 3.15 to 4.00 cents

per pound. Recently they have been around 2.00 to 2.25 cents, with even lower prices rumored.

Under the proposed program the world price would reach a level that would bring out the necessary supply of sugar. All that is in line with normal market behavior and ancient and still honorable buying practices. Surely, however, Yankee trading ability has not become so decrepit that a U. S. dollar in an American's hands will buy less sugar than the same dollar in the hands of a foreign buyer.

A sugar program designed to meet the conditions of the future should provide adequate price support to domestic producers without over-emphasis on tightness of supplies. So long as a friendly Cuba assured us of adequate and timely supplies it was not necessary for our eastern refiners to carry large inventories. In order to maintain prices, however, it was necessary to keep supplies really tight. This tightness applied most acutely to the northeast. At times the total year-end quota stocks of raw sugar held by all 10 northeastern refineries were less than those in the single Pacific Coast refinery.

The potentialities in this situation were strikingly illustrated by an example most of you well remember when the diversion of a single cargo of sugar from New York was followed by a price rise of 50 cents per 100 pounds. That experience had its lighter side because it came at the end of a long period of eroding prices. If the development had taken place when prices were high, it could have had dire consequences.

A sugar program for the future also should permit a return to less dangerous trading practices than some of those now followed. Today futures trading in sugar is only a fraction of what it was in the late 1920's. This reflects a failure to follow the normal hedging practices that characterize sound, conservative commodity merchandising throughout the world. Today most sugar brokers apparently operate to some extent as "dealers". As I understand the word to be used in the sugar trade, the term "dealer" is a euphemism for "speculator". It means that the person or firm takes the risk of carrying stocks of sugar unhedged. I realize that this practice might be given several explanations. The fact remains, however, that the practice is forced upon sugar traders by the present market price structure. In order to maintain adequate quota premiums, supplies must be kept tight. By tightening supplies, prices of spot sugar are forced above prices for distant futures. Hedging under such a price structure would involve the fixing of a loss. Governmental controls can constitute no safe substitute for sound merchandising methods.

In the past year we have had a large measure of good luck and most of our foreign suppliers have shown the desire to cooperate. Even so, receipts tended to be inadequate in the early summer and threatened to become excessive at the end of the year. Worse yet, the market was adversely affected for a number of weeks by assurances of sugar that did not exist and that could not be supplied.

I think that experience of last summer is an excellent example of what the sugar industry must anticipate in the future if the sugar program remains unchanged. Inevitably, some countries will be excessively optimistic about their abilities to supply. Inevitably, sugar from some distant sources will fail to arrive when it is most needed. The authority is not in our hands to control the monsoons or storms at sea, to prevent port congestion or labor difficulties, or to determine foreign decontrol actions or prevent internal strife in countries abroad. Either we must allow for shortfalls and poorly timed arrivals by higher quota figures, which may depress prices, or we must face the danger of shortages.

Twice during the past month foreign developments have placed our sugar supplies in jeopardy. The more dramatic time was when the market feared that the short-lived coup d'etat in the Dominican Republic might cause us to lose Dominican supplies. Equally important, however, was the slow selling of Philippine sugar that preceded devaluation in that country. Such difficulties are inevitable when we attempt to give to each supplier and potential supplier throughout the world a fragment of a quota designed to meter sugar into the United States from the mountainous supplies of Cuba.

Let us then summarize:

1. An import fee equal to the difference between domestic and foreign prices would separate the business of importing sugar from the foreign aid program of the United States.
2. Our present foreign sugar suppliers will probably get less for their sugar than they do under the present quotas. However, world prices might improve and certainly should become more stable if the huge volume of the United States sugar import trade were added to the present volume of trade in the world market. Foreign suppliers who consider themselves assured of U. S. quotas are opposed to the program. Members of the domestic industry who are directly or indirectly interested in foreign production likewise oppose such a program.

Owners of Cuban sugar enterprises who hope some day to get their properties back might well take a second look at the matter. Certainly they will be disappointed at the loss of the quota premium but by now it should be evident that there will be little quota left for Cuba to claim if the present system is continued.

3. Purely domestic producers should not be adversely affected in any way by the import fee system. Indeed their prices might be supported with more certainty than is true at times under the quota system.

4. Practices in the sugar trade should tend toward the more normal practices of commodity trading. The sugar broker could then concentrate on his merchandising functions rather than on how to get rid of market risks he, as a dealer, has been forced to accept.

5. Importers and refiners would have greater freedom in buying sugar from among friendly foreign suppliers. If one of our suppliers suffered a short crop or failed to have supplies when needed, other suppliers would have them. The total foreign quota could, therefore, be obtained with much greater certainty and precision that is possible when a separate import quota must be provided for each foreign supplying country.

6. The industrial user could not be guaranteed any lower price than he is now paying. However, since importers and refiners would have greater flexibility in procuring foreign supplies, the industrial user could have greater confidence that his supplies will be available when he needs them.

7. The import fee system would put the sugar program on a sounder basis than it has been at any time since Castro took over Cuba.

THE POSSIBILITIES OF A SUGAR BEET INDUSTRY
IN MISSOURI

An Address by Tom O. Murphy, Deputy Director, Sugar
Division, Agricultural Stabilization and Conservation Service,
U. S. Department of Agriculture, at The Sugar Beet Seminar,
Kansas City, on February 3, 1962

Mr. Chairman, Ladies and Gentlemen:

I am very happy that you asked me to attend your Seminar today. I must confess that I like to talk about sugar or anything concerning sugar anywhere and at any time, but I am particularly pleased to be here because I think I know something about you because of conversations with members of your Congressional delegation and their staffs. They have been so **knowledgeable and** understanding while at the same time vigorously advocating the interests of Missouri, that I feel only very fine people deserve, and have that kind of representation.

Mr. Brown, when he first mentioned the Kansas City Seminar, suggested that I talk on "The Possibilities of a Sugar Beet Industry in Missouri." The subject suggests that you would like to have as impartial a review as I am capable of making. Therefore, I intend to be as constructive as possible, fully aware that I must necessarily insert some notes of caution and, if you please, pessimism along with those which are more palatable. I am sure you will do me the honor of regarding this approach as stemming strictly from a desire to be objective and helpful and not in the least from any lack of goodwill or good wishes for the eventual success of your project.

Let us first look at the nature of sugar and the sugar business. Laying aside for the moment the feasibility of production, about which as it concerns Missouri, I am sure you know much more than I, let us concentrate on marketing. What is the environment in which you would dispose of your product?

Sugar in an advanced country such as ours has a highly inelastic demand. The average American consumes just about 100 pounds of sugar a year

counting both table use and the sugar content of baked goods, soft drinks, confectionery, ice cream and canned fruits. He is not likely to vary this very much whether sugar prices go up a bit or come down a bit.

The supply side of the picture is quite different. Production expands quickly and substantially in response to a small increase in price. Production of sugar, particularly, that portion made from sugarcane does not, however, contract when prices fall -- except after a very long time. Sugarcane, as you know, is harvested over and over again from the same planting. A substantial part of the cost invested for several crops is in the first planting. This fact alone, suggests that there is very sluggish production response to falling prices.

Because of this peculiarity, there is a general tendency for the sugar business to experience relatively short periods of high prices and then long lingering periods of falling and eventually very low prices. A short feast and a longer famine was pretty much the history of the sugar business in this country in this century prior to the enactment of the first Sugar Act in 1934 -- The Jones Costigan Amendment to The Agricultural Adjustment Act. Ever since then the sugar business in the United States has been quite different. In fact, stability as to marketing opportunities and as to price is not only as great as in other lines of endeavor, but greater -- a complete reversal of the situation prior to special legislation. This, of course, is a decided plus for any sugar enterprise, new or old.

The essence of the sugar program made possible by the Sugar Act is very simple. Primarily it amounts to managing supply in a way that relates it to the inelastic demand. This avoids the creation of market depressing surpluses but the price paid for this benefit is the curtailment of production by all who share in the market to that quantity which the market will absorb at prices fair to both producers and consumers.

Supply management is accomplished through a determination made by the Secretary of Agriculture as to the sugar requirements of consumers in this nation for each year. He can adjust his estimate during the year if the evolving situation requires. Thus, the total supply that may be marketed is established. This tonnage, whatever it may be, is divided into quotas for each of the supplying areas in accordance with a formula contained in the statute. When necessary, the sugar quota for an area -- say the sugar beet area -- may be allotted to each processor of beet sugar. There is one further step which may be taken when required to

avoid the creation of excessive unmarketable sugar inventories. The area's quota can be apportioned among the producers of sugar beets. This amounts to an acreage allotment for each sugar beet farmer although under the sugar program we refer to it as the farmer's proportionate share of the quota.

I have gone into this detail to establish the central point that I want to make. The sugar program has, over the years, made possible assured though moderate profits for the average farmer and the average sugar processor. The key word here is average. Profits of individual beet sugar factories vary widely among themselves. The same is true with respect to the individual raw cane sugar mills in each of the domestic cane areas, of cane sugar refiners, and more importantly from your viewpoint, among individual beet sugar farmers.

Hence, low cost producers prosper while high cost producers seek other pursuits. Since the war, there have been four new beet sugar factories constructed in the United States, but there have been 25 which have been abandoned. Presently there are 63 in operation. The same applies to beet sugar farmers. In 1947 there were more than 40 thousand. Today there are about 25 thousand. The volume of business has expanded, but the number of producers has contracted.

Since the business is so competitive it is important that you measure your own prospects very carefully against the record of present sugar beet producers and processors all over the nation.

It is true that there is great variability with respect to the costs and efficiency of individual farmers within a single region, due to the individual differences among farmers and the land they farm, but there are also substantial differences among the average results for each region in the sugar beet area. Thus, an efficient individual in a favored region has distinct advantage over an equally talented individual in a less favored area.

What marks a favored area? This question breaks down into two parts: Sugar beet production on the one hand and beet sugar processing and marketing on the other. Turning first to the farm side, except for the obvious difference between irrigated and nonirrigated culture, the operations necessary to produce a crop are quite similar. I don't mean to imply that there aren't differences throughout the various parts of the

country as to how the seed bed is prepared, how the beets are thinned and hoed, how many times the crop is cultivated or what kind of harvesting equipment is used. There are differences, but with due allowance for various soil types, there is an essential similarity. Hence, there is a tendency for the cost per acre under irrigation or conversely without irrigation to be more nearly a constant than the cost per unit of beets or of sugar. Nevertheless, the size of the sugar beet acreage on a farm has an important cost effect. As you would expect, generally the larger the acreage the lower the cost per acre. Even more important is just the plain ability of the farmer, the care he gives his crop, the proper timing of his operations, the manner in which he performs his operations and that nebulous thing that some people call a "green thumb".

Given this situation, you can see that the average yield of sugar beets per acre and the sugar content of the beets are vital indeed. I have not seen those results for your 1961 test plots. I hope they were very good and that your tests this year will be even better. High yields of sugar beets and sugar content usually are associated with low costs per pound of sugar recovered. You may be interested in recalling the national average. Last year was a poor year for the sugar beet industry and there would be little point in referring to it. The year before was typical for recent times. The national average yield of sugar beets per acre under irrigation was 19 tons and the sugar content, 15.5 percent. On nonirrigated acreage, the average tonnage per acre was 13 and the content, 15.9. I believe it is vital to the success of your project that you have expectations of better than national average sugar production per acre.

Now let us turn to the processing problem. Because of the very large original investment for a modern beet sugar factory, the number of days that the factory can be operated each year is of prime importance. A factory costing about \$15,000,000 and operating more than 200 days of the year would, of course, be quite a different proposition from one of similar cost which could operate only 100 days per year. Labor costs in a brand new modern factory would be lower, of course, than in most of the factories which now make sugar. The annual investment amortization, however, would be strikingly higher and unless the factory could operate most of the time these costs could be unbearable.

In 1960, the average number of operating days for sugar beet factories in this country was 101, ranging from a low of 22 to a high of 264. In

1961, 7.7 percent more sugar beets were processed than the year before, even though sugar production was about the same. The average number of days for factories in 1961 is not yet known but probably was more than 101, with those on the lower end of the scale showing increases of much more than 7 percent compared to 1960 and those on the upper end of the scale, somewhat less than 7 percent.

The number of days that a factory can operate depends not only upon climate as it affects the length of the harvest season and the length of time sugar beets can be stored after harvest prior to processing, but also upon an adequate volume of sugar beets available for processing. The latter depends, to complete the circle, on the success of sugar beet growers and their continued interest in the crop. It depends on one other important factor, namely, the market outlets that may be available for sugar beets and beet sugar under the Sugar Act.

The present Act as you know, expires in the middle of this year and its terms for the future depend upon the action which Congress may take in extending and amending it. The very philosophy of the Act as we have known it, however, suggests that over the long pull there cannot be unlimited marketing opportunities. I have mentioned one objective, the prime effect of which is to maintain sugar prices higher and steadier than free market forces alone would do, and the companion effect of which must be to require the exercise of restraint on the desire to produce. Another objective of the Act is to promote the export trade of the United States. A very large outlet for the nation's export trade exists in the countries which produce sugar. For some of them, as you know, sugar is the most important export and source of foreign exchange.

Under the present Act, domestic producers supply about 53 1/2 percent of the market. The Secretary of Agriculture has said that he would recommend to the Congress some increase for domestic areas. By the way, included among the domestic areas is the mainland cane area, comprising Louisiana and Florida. During the last year or so, when production has not been restricted for either the beet area or the mainland cane area, a number of new cane sugar mills have been built in Florida. Until recently, there had been three factories in Florida, five are operating as of this moment and I understand five more will process 1962 crop sugarcane.

There is one sugar beet factory being built in Modesto, California. I have no knowledge of any others that have reached beyond the planning stage.

In the last session of the Congress, many bills were introduced, the purposes of which were to reserve some part of the beet sugar quota for new regions. Some of these set forth geographic preferences, some more or less, a first-come, first-serve basis. Last December the domestic sugar industry, after a conference in Washington, issued a press release which proposed essentially that the major part of the annual growth in the beet sugar quota be made available, if it could be so utilized, to new growers on a first-come, first-serve basis.

It seems evident that only a limited number of new producing regions can be accommodated. There is one other factor, an economic one, that adds emphasis, namely, that as the sugar beet industry expanded from 1950 to the present time at the healthy rate of 4 percent annually, a very persistent tendency cropped up early and continues to the present time. The net returns from the sale of beet sugar have fallen in relation to the New York price of raw sugar, which is a much quoted yardstick, at a rate that soon became predictable, namely, that one-third of the average increase in total income one would expect from increased volume has been dissipated in price concessions. This is rather startling when first recognized, but becomes understandable under closer scrutiny.

Years ago, beet sugar represented a quite small part of the total sugar market. Cane sugar was refined in seaboard factories. The price structure for sugar naturally enough was quite uniform at seaboard price plus freight or delivery cost to point of sale anywhere in the nation. Beet sugar -- mostly produced far inland and representing a minor portion of the market -- was able to sell in the environs of the beet sugar factories roughly in line with cane sugar at the high delivered price prevailing in such localities compared with the basic costal prices which contained little or no delivery element. As beet sugar volume increased more and more, some of the sugar had to be sold nearer the seaboard not only at the lower delivered prices appropriate for those points, but also with a substantial freight cost from the beet factory to point of sale. In addition, as beet sugar sales increased it became necessary to obtain new customers at a substantial initial sales expense.

Under present marketing practices, beet sugar processors sell their product to buyers in Kansas City at a basis price currently quoted at \$8.80 per hundred pounds for the Chicago West territory plus 64 cents of freight prepay. If a new factory located in the Kansas City area extended its market territory to St. Louis, it would absorb the freight cost to that destination and, at the same time, it would receive a lower

"prepay" -- only about 50 cents instead of the 64 cents prevailing here in Kansas City. The "prepay", you will recall, tends to increase roughly with the distance from the nearest cane sugar refinery. Thus, it would similarly decline if marketings were extended southward into Oklahoma and Arkansas.

It would increase, on the other hand, if marketings were extended up the Missouri Valley, although stiff competition would be encountered there, in the home territory of Nebraska beet sugar processors. The stiffest competition would be encountered in the Chicago area where beet sugar from the entire West, California-refined Hawaiian cane sugar and Louisiana refined cane sugar converge. An idea of the competition, there, can be obtained from the fact that the basis^{1/} price for beet sugar in the Chicago West territory is currently 50 cents -- per hundred pounds lower than the corresponding price for cane sugar at New York and other eastern refinery cities. Years ago, the two prices were the same except for the small traditional beet sugar discount.

I have no sales data for the Kansas City area alone, but there would be an ample home market for Missouri Valley produced beet sugar. About 300,000 tons of refined sugar were delivered to destinations in Missouri and Kansas as a whole in 1961 -- several times the volume of production of a single factory.

Yes, a home market for Missouri produced sugar does exist but even in this connection one more problem must be faced: An existing beet processing firm might be reluctant to locate a new plant in your area because it would tend to force expansion of its total marketing territory farther east at costly freight absorption and loss in prepay. This reluctance would, of course, be overcome if there were cost advantages on the production side of greater import. A new firm would not be concerned with that problem but would have the arduous task of developing a new brand, new goodwill, and new market contacts, and in such circumstances, I am inclined to think would like to have at least some cost advantage on the production side.

I would like to close by suggesting that you keep fully and continuously abreast of legislative developments and of production plans in other

^{1/} For about a month, then reverting to 70 cents.

regions of the sugar beet area, in order that you not be left at the gate if a propitious opportunity presents itself. But equally I suggest that you take a hard sure look at your prospects before making substantial commitment of resources. I know of your experimental plots in 1961 through the testimony of Mr. Cordell Tindall, Vice President of the Missouri Beet Growers Development Association, at our hearing in Denver on August 29 and through Congressional correspondence. I know that you intend to expand substantially your research this year.

As I mentioned I am anxious to know the 1961 results for your test plots and later the more extensive production findings. I do not know, but I am confident that you also have and will continue to study closely the economic feasibility aspect of the problem. Generally, I believe that you should be satisfied only with prospects that are somewhat above the average of the existing farms and factories. I am quite sure that if you do make the commitment it will only be with the knowledge that you have a reasonable chance and that you will thereafter spare no effort to make the undertaking a success.

I wish you the best of good fortune not only with sugar but with all of your plans for this great region.

ACTIONS RELATING TO 1962 SUGAR SUPPLIES --
Continuation of Sequence following Sugar Act
Amendment of March 31, 1961

The amendment to the Sugar Act of March 31, 1961 and the Proclamations of the President and actions by the Secretary of Agriculture relating to sugar supplies subsequent thereto have been reproduced in various issues of Sugar Reports. Actions pertinent to supplies for 1962 appear in Sugar Reports 113, 116 and 117 (September and December 1961 and January 1962). The final actions for 1961 and reference to earlier actions appear in Sugar Reports 114.

Since then two such actions have been taken, details of which are shown below:

A. Increase of 215,517 Tons of Non-Quota Sugar Imports Authorized:
(February 12, 1962)

Secretary of Agriculture Orville L. Freeman, with the concurrence of the Secretary of State, today increased by 215,517 tons the quantity of non-quota sugar authorized for purchase and importation during the first six months of 1962. The countries from which this additional quantity can be purchased and imported are identified in the table on page 25.

The quantity of sugar which now may be imported or marketed within quotas and authorized non-quota purchase sugar allocations for the first six months of 1962 is 4,575,895 short tons, raw value. A reserve of 174,105 tons of non-quota sugar subsequently will be authorized for purchase as needed, and will include purchases under reciprocal arrangements, involving additional sales of surplus agricultural products (see B below).

The quota and non-quota purchase sugar allocations for the six months ending June 30, 1962 are shown on page 25.

SUGAR QUOTAS AND AUTHORIZED NON-QUOTA PURCHASE
ALLOCATIONS FOR THE SIX-MONTH PERIOD ENDING
JUNE 30, 1962

Area and Country	: Non-quota purchase : : allocations : : Increased : Total : : quantity : authorized : : announced: to : : today : date :			: Total of quotas : and Non-quota : Purchase : Sugar : Allocations :
(Short tons, raw value)				
Domestic beet			1,032,931	1,032,931
Mainland cane			317,843	317,843
Hawaii			576,476	576,476
Puerto Rico			602,780	602,780
Virgin Islands			8,220	8,220
Republic of the Philippines		175,655	490,000	665,655
Peru		280,070	49,928	329,998
Dominican Republic	105,135	421,122	43,204	464,326
Mexico	85,058	340,706	34,954	375,660
Nicaragua		42,700	7,300	50,000
Haiti		1,388	3,612	5,000
Netherlands		3,100	1,900	5,000
Republic of China		23,158	1,842	25,000
Panama		3,158	1,842	5,000
Costa Rica		3,163	1,837	5,000
Canada		0	316	316
United Kingdom		0	258	258
Belgium	222	888	91	979
British Guiana	102	409	42	451
Hong Kong		0	2	2
Colombia	25,000	25,000		25,000
Brazil		30,000		30,000
India		50,000		50,000
Sub-total	215,517	1,400,517	3,175,378	4,575,895
NOT AUTHORIZED FOR PURCHASE AT THIS TIME				174,105
TOTAL				4,750,000

B. USDA to Authorize Importation of Additional Quantities of Non-Quota Sugar: (February 12, 1962)

In response to numerous inquiries, the U. S. Department of Agriculture today announced its intentions with regard to the quantity of non-quota sugar which is available for discretionary allocation during the first six months of 1962.

About 174,000 tons of non-quota sugar remain for allocation during the first six months of 1962. This quantity will be allocated at such time and in such amounts as needed to meet domestic requirements for sugar. It is not possible to commit in advance the quantities of such sugar that will be authorized for purchase from individual exporting countries.

The Department announced however that, subject to market conditions and other factors, some importation of sugar would be authorized from countries agreeing to purchase additional U. S. agricultural commodities. Such authorizations will be in addition to any other quota a country may have under the U. S. Sugar Act, and are authorized by the provisions of the Sugar Act of 1948, as amended on March 30, 1961, Public Law 87-15.

The raw sugar authorized to be imported on this basis will be sold in the U. S. through normal trade channels.

Proposals are to be submitted to the General Sales Manager of Foreign Agricultural Service, Room 3095, South Building, USDA, Washington 25, D. C., and received not later than Feb. 26, 1962.

The Department will evaluate proposals on the basis of the dollar amounts of U. S. agricultural commodities per ton of non-quota sugar authorized to be imported. In case of equal offers, preference will be given to countries of the Western Hemisphere as required by the statute. The proposals must specify that such sugar will be delivered to U. S. continental ports prior to June 30, 1962, and the dates after acceptance when the sugar can be delivered in the U. S. The value of the agricultural commodity will be based on the estimated cost of such commodity f.o.b. vessel or f.a.s. U. S. port.

Commitments to purchase additional U. S. agricultural commodities must represent new consumption outlets. The U. S. agricultural commodities will be as follows:

Butter, cheddar cheese, nonfat dry milk, cotton, peanuts, wheat, rice, corn, oats, barley, rye, grain sorghums, gum turpentine and tobacco.

Purchases of such agricultural commodities will be made through normal trade channels in 1962 and must be exported to and consumed in the county producing the sugar.

The Governments of sugar-supplying countries will be required to give assurance in agreement with the U. S. Government that these conditions will be carried out.

OTHER ADMINISTRATIVE ACTIONSDate announcedNature of action

January 30,
1962

Public hearing announced to be held Feb. 21 at Santurce, Puerto Rico, to develop a basis for allotting the mainland and local sugar quotas for Puerto Rico for the six-month period ending June 30, 1962. The hearing will begin at 10 a.m., in the Conference Room, Caribbean Area ASCS Office, Segarra Building, Santurce, Puerto Rico. (See February 2, 1962 Federal Register).

February 9,
1962

Determination of fair and reasonable prices for the 1961-62 crop of sugarcane in Puerto Rico. This determination continues for the 1961-62 crop the provisions of the 1960-61 crop determination. (See February 15, 1962 Federal Register).

February 16,
1962

Amends Section 816.7 of Sugar Regulation 816 relative to the determination of the monetary amount of bond obligations covering quota exempt or over quota sugar produced in the domestic beet mainland cane sugar areas and that produced and marketed locally in Hawaii and Puerto Rico. (See February 16, 1962 Federal Register).

February 21,
1962

Determination of fair and reasonable prices for the 1962 crop of Virgin Islands sugarcane. The determination continues provisions of the 1961 crop determination, except that allowances to producers for loading and transporting sugarcane will be based on rates applicable to the 1961 crop, and the formula for computing molasses payments to producers will reflect a price of 10.5 cents instead of 10.75 cents per gallon. (See February 27, 1962 Federal Register):

STATISTICAL SERIES IN THIS ISSUEHIGHLIGHTS

1. January 1962 sugar deliveries for continental U. S. consumption, 621,000 short tons, raw value (preliminary), down about 130,000 tons from December 1961 and down 5,000 tons from January 1961. Calendar year 1961 deliveries 9,612,000 short tons, raw value, up 351,000 tons, or 3.8 percent from same 1960 period. Final data for December 1961 deliveries, 751,000 -- previously published preliminary as 733,000 tons.

2. Primary distributors' stocks February 3, 1962 were 2,093,000 short tons, raw value (preliminary), down 244,000 tons from a year earlier, and down 94,000 tons from end December 1961. During January beet processors' stocks increased by about 108,000 tons and mainland sugarcane processors' stocks by about 5,000 tons; refiners' stocks decreased by about 200,000 tons, and importers of direct-consumption sugar stocks by about 6,000 tons.

3. Charges to 1962 quotas to February 16, 1962 were 537,498 short tons, raw value; in addition, 524,523 tons of non-quota purchase sugar were authorized for entry, for a total of the two of 1,062,021.

4. Regionally, Calendar year 1961 sugar deliveries, as compared with 1960, were up 7.3 percent to the Western region, 6.5 percent to the North Central region, 2.6 percent to the Middle Atlantic region, 0.8 percent to the Southern region, and 0.5 percent to the New England region.

Table 1. - Sugar supply and disposition by primary distribution, January-December 1961
(Short tons, raw value)

Item	Beet proc- essors	Importers	Main- land cane proc- essors ^{1/}	Refiners		Net total
				Raw	Refined	
	(1)	(2)	(3)	(4)	(5)	(6)
SUPPLY						
1. <u>Inventory Jan. 1, 1961</u>						
a. 1960 Quota & Non-quota	0	39,426	0	400,334	263,059	702,819
b. 1961 Quota and other	<u>1,497,871</u>	<u>31,698</u>	<u>18,157</u>	<u>40,477</u> ^{2/}	<u>35,615</u> ^{2/}	<u>1,623,818</u>
c. Sub-total	1,497,871	71,124	18,157	440,811	298,674	2,326,637
2. <u>Production and movement</u>						
a. Received as direct- consumption sugar	0	325,785	0	0	0	325,785
b. Produced from beets or cane	2,378,708	0	644,116	80,420	75,377)	2,601,161 ^{3/}
Less deliveries to refiners	0	0	577,460	0	0)	
c. Receipts of raws by refiners	0	0	0	6,700,924 ^{4/}	0)	81,095 ^{5/}
Less raws melted	0	0	0	6,619,829	0)	
d. Refined from raws melted	0	0	0	0	6,557,283	6,557,283
e. Adjustments	<u>- 859</u>	<u>- 619</u>	<u>- 533</u>	<u>- 2,935</u>	<u>- 1,025</u>	<u>- 5,971</u>
f. Sub-total	2,377,849	325,166	66,123	158,580	6,631,635	9,559,353
3. <u>Net total supply</u>	3,875,720	396,290	84,280	599,391	6,930,309	11,885,990
DISPOSITION						
4. <u>Distribution for</u>						
a. Quota purposes	2,607,689	301,037	59,309	13,550	6,630,750	9,612,335
b. Export	0	3,332	0	0	52,054	55,386
c. Livestock feed	<u>0</u>	<u>29,500</u>	<u>0</u>	<u>0</u>	<u>2,065</u>	<u>31,565</u>
d. Sub-total	2,607,689	333,869	59,309	13,550	6,684,869	9,699,286
5. <u>Inventory Dec. 31, 1961</u>						
a. 1961 Quota and Non-quota	0	23,553	0	528,219	213,695	765,467
b. 1962 Quota and other	<u>1,268,031</u>	<u>38,868</u>	<u>24,971</u>	<u>57,622</u> ^{6/}	<u>31,745</u> ^{6/}	<u>1,421,237</u>
c. Sub-total	1,268,031	62,421	24,971	585,841	245,440	2,186,704
6. <u>Total distribution and inventory</u>	3,875,720	396,290	84,280	599,391	6,930,309	11,885,990

^{1/} Establishments that acquire no raw sugar from others for refining. Processor-refiners are included with refiners.

^{2/} Includes Mainland cane sugar not charged to quota: Raws, 22,824; Refined, 33,658; Total, 56,482.

^{3/} Production less deliveries of raw sugar to refiners.

^{4/} Includes 573,074 received from mainland cane processors.

^{5/} Receipts of raw sugar by refiners less melt.

^{6/} Includes mainland cane sugar not charged to quota: Raws, 36,694; Refined, 29,407; Total, 66,101.

Table 2. - Distribution of sugar by primary distributors, January-December 1961 and 1960

Item	1961	1960	Change 1960 to 1961
Short tons, raw value			
Continental United States			
Refiners' raw	13,550	3,623	+ 9,927
Refiners' refined	6,684,869	6,517,460	+ 167,409
Sub-total	6,698,419	6,521,083	+ 177,336
Beet processors' refined	2,607,689	2,165,015	+ 442,674
Importers' direct consumption	333,869	603,983	- 270,114
Mainland sugarcane processors'	59,309	40,889	+ 18,420
Total	9,699,286	9,330,970	+ 368,316
For: Export	55,386	45,762	+ 9,624
Livestock feed	31,565	24,375	+ 7,190
Continental consumption <u>1/</u>	9,612,335	9,260,833	+ 351,502
Puerto Rico	115,298	110,289	+ 5,009
Hawaii	41,501	44,072	- 2,571

1/ Includes deliveries for United States Military forces at home and abroad.

Table 3. - Stocks of sugar held by primary distributors in the continental United States, December 31, 1961 and 1960

Item	1961	1960	Change 1960 to 1961
Short tons, raw value			
Refiners' raw	585,841	440,811	+ 145,030
Refiners' refined	245,440	298,674	- 53,234
Sub-total <u>1/</u>	831,281	739,485	+ 91,796
Beet processors' refined	1,268,031	1,497,871	- 229,840
Importers' direct consumption	62,421	71,124	- 8,703
Mainland sugarcane processors'	24,971	18,157	+ 6,814
Total	2,186,704	2,326,637	- 139,933

1/ Included mainland cane sugar not charged to quota; 1961 - Raws, 36,694; Refined, 29,407; Total, 66,101; 1960 - Raws, 22,824; Refined, 33,658; Total, 56,482.

Table 4. - Distribution of sugar by primary distributors in the continental United States, January 1962 and 1961

Item	1962 <u>1/</u>	1961
Short tons, raw value		
Refiners	462,741	453,762
Beet processors' refined	137,073	148,435
Importers' direct consumption	16,004	22,277
Mainland sugarcane processors'	5,000 <u>2/</u>	5,424
Total	620,818	629,898
For: Export	N. A.	2,948
Livestock feed	N. A.	1,072
Continental consumption <u>3/</u>	620,818	625,878

1/ Preliminary. 2/ Estimated. 3/ Includes deliveries for U. S. military forces at home and abroad.

Table 5. - Stocks of sugar held by primary distributors in the continental United States, February 3, 1962 and January 31, 1961

Item	1962 <u>2/</u>	1961	Change 1961 to 1962
Short tons, raw value			
Refiners' raw	340,733	340,272	+ 461
Refiners' refined	290,298	311,280	- 20,982
Sub-total	631,031	651,552	- 20,521
Beet processors' refined	1,375,801	1,595,515	- 219,714
Importers' direct consumption	56,115	65,030	- 8,915
Mainland sugarcane processors'	30,000 <u>2/</u>	24,750	+ 5,250
Total	2,092,947	2,336,847	- 243,900

1/ Preliminary. 2/ Estimated.

Table 6. - Mainland sugar: Production and quota charges January-December 1961 and 1960

Item	1961	1960	Change 1960 to 1961
Short tons, raw value			
<u>Production</u>			
Mainland cane	797,016	634,004	+ 163,012
Domestic beet	2,377,849	2,439,527	- 61,678
Total	3,174,865	3,073,531	+ 101,334
<u>Quota charges</u>			
Mainland cane:			
Louisiana sugarcane processors			
For further processing	421,018	314,178	+ 106,840
For direct-consumption	45,617	32,401	+ 13,216
Louisiana processor-refiners	144,874	95,334	+ 49,540
Florida sugarcane processors	169,074	177,134	- 8,060
Sub-total	780,583	619,047	+ 161,536
Beet processors	2,607,689	2,164,692	+ 442,997
Total	3,388,272	2,783,739	+ 604,533

Table 7. - Sugar receipts of refiners and importers by source of supply 1/ January-December 1961 and 1960

Source of Supply	Raw sugar		Direct-consumption sugar		Total	
	1961	1960	1961	1960	1961	1960
Short tons, raw value						
<u>Offshore</u>						
<u>Foreign</u>						
Cuba	0	1,942,352	0	328,158	0	2,270,510
Dominican Republic	358,481	432,543	27,259	16,207	385,740	448,750
Mexico	656,023	391,206	16,066	22,332	672,089	413,538
Peru	611,760	269,187	10,915	13,922	622,675	283,109
Philippines	1,308,214	1,089,346	48,046	39,688	1,356,260	1,129,034
Other countries	1,293,621	275,705	75,342	63,914	1,368,963	339,619
Sub-total	4,228,099	4,400,339	177,628	484,221	4,405,727	4,884,560
<u>Domestic</u>						
Hawaii	1,044,916	838,829	0 2/	5,937 2/	1,044,916	844,766
Puerto Rico	832,100	741,443	148,157	154,514	980,257	895,957
Virgin Islands	16,182	6,954	0	0	16,182	6,954
Sub-total	1,893,198	1,587,226	148,157	160,451	2,041,355	1,747,677
Total Offshore	6,121,297	5,987,565	325,785	644,672	6,447,082	6,632,237
Mainland cane area	653,494	535,932	75,377 3/	60,375 3/	728,871	596,307
Acquired for reprocessing and samples	6,553	4,209	0	0	6,553	4,209
Grand total	6,781,344	6,527,706	401,162	705,047	7,182,506	7,232,753

1/ Includes sugar as detailed in Table 8. 2/ Refined sugar received by refiners. 3/ Refined sugar produced direct from cane by processor-refiner.

Table 8. - Receipts of quota-exempt and over-quota sugar included in Table 7.

Purpose	Refiners		Importers		Total	
	1961	1960	1961	1960	1961	1960
Short tons, raw value						
For: Export	48,998	40,186	9,335	9,998	58,333	50,184
Livestock feed	1,503	1,238	45,443	30,279	46,946	31,517
Later release:						
Bonded	5,000	3,994	0	0	5,000	3,994
In customs custody	10,120	1,997	3,196	22,040	13,316	24,037
Total	65,621	47,415	57,974	62,317	123,595	109,732

Table 9. - Status of 1962 Sugar Quotas as of February 16, 1962

Area	Quota	Credits	Charge to quota & offset	Unfilled balance		
		for	to drawback of duty ^{1/}			
		drawback		Direct-	Direct-	
		of		consump-	consump-	
		duty	Total	tion	Total	tion
Short tons, raw value						
Domestic Beet	1,032,931		221,000		811,931	
Mainland Cane	317,843		55,000		262,843	
Hawaii	576,476		80,409	0	496,067	16,229
Puerto Rico	602,780		60,898 ^{2/}	15,208	541,882	55,134
Virgin Islands	8,220		0	0	8,220	0
Republic of the Philippines	490,000		76,714		413,286	26,209
Other foreign countries	147,128		43,477	7,742	103,651	27,305
Total	3,175,378		537,498	22,950	2,637,880	124,877
Subject to Section 408 (b) of Act	1,574,622	Allocated:	1,400,517	(For status see Table 11.)		
		Unallocated:	174,105			
Total Requirements	4,750,000					
Details of other foreign countries						
Peru	49,928		5,098	5,098	44,830	16
Dominican Republic	43,204		12,463	0	30,741	4,560 ^{3/}
Mexico	34,954		23,350	78	11,604	8,204
Nicaragua	7,300		0	0	7,300	5,461
Haiti	3,612		0	0	3,612	3,500
Netherlands	1,900		1,900	1,900	0	0 ^{3/}
China	1,842		0	0	1,842	1,842
Panama	1,842		0	0	1,842	1,842
Costa Rica	1,837		0	0	1,837	1,837
Canada	316		316	316	0	0 ^{3/}
United Kingdom	258		257	257	1	1 ^{3/}
Belgium	91		91	91	0	0 ^{3/}
British Guiana	42		0	0	42	42
Hong Kong	2		2	2	0	0 ^{3/}
Total	147,128		43,477 ^{4/}	7,742	103,651	27,305

LIQUID SUGAR ^{5/}

Wine gallons of 72 percent total sugar content

Cuba	-	-	-
Dominican Republic	415,447	33,233	382,214
Federation of the West Indies	150,000	0	150,000

1/ These data include the following: (a) Domestic beet and Mainland cane sugar partly estimated, (b) all other sugar entered or authorized as of February 16, 1962. 2/ In addition, 230 tons of raw and 21 tons of direct-consumption sugar were brought in for subsequent return to Puerto Rico. 3/ Sugar held in Customs custody pending availability of quota: Belgium 679, Canada 176, Hong Kong 41, Netherlands 2,339, and the United Kingdom 1,623. Held for quota-exempt purposes, 3,862 from the Dominican Republic. 4/ Under Sec. 212 (1) charges to quota exclude 10 tons from West Germany, Ireland, Union of South Africa, Colombia, Paraguay and from each country listed for which charges are shown. 5/ Under Sec. 212 (3) 150 gallons were entered from Hong Kong, 999 from France, 1,851 from the United Kingdom, 962 from Poland, and 113 from West Germany.

Table 10. -Quota-exempt sugar entered under Sections 211 (a) and 212 (4) as of February 16, 1962

Source	For		Total
	Reexport	Feed	
Short tons, raw value			
Canada		232	232
Dominican Republic	13,960	3,480	17,440
French West Indies	11,470	-	11,470
Netherlands	294	-	294
United Kingdom	268	952	1,220
Union of South Africa	836	3,195	4,031
Total	26,828	7,659	34,687

Table 11. - Status of 1962 non-quota purchase sugar as of February 16, 1962

Area	Authorized	Authorized for Entry for ^{1/}		Total Unfilled Balance
	for Purchase	Further Processing	Direct- Consumption	
Short tons, raw value				
Dominican Republic	421,122	89,169	0	331,953
Peru	280,070	92,134	0	187,936
Mexico	340,706	111,926	0	228,780
Philippines	175,655	135,359	0	40,296
Nicaragua	42,700		0	42,700
China (Formosa)	23,158	20,324	0	2,834
Brazil	30,000	24,979	0	5,021
British Guiana	409	0	0	409
Colombia	25,000	0	0	25,000
Costa Rica	3,163	0	0	3,163
Panama	3,158	0	0	3,158
Netherlands	3,100	0	3,100	0
Haiti	1,388	0	0	1,388
Belgium	888	0	888	0
India	50,000	46,644	0	3,356
Total	1,400,517	520,535	3,988	875,994

^{1/} Charges to purchase allocations exclude the first 10 tons entered from Brazil and India.

Table 12. - Status of 1962 Sugar Quotas as of January 31, 1962

Area	Quota	Credits for drawback of duty	Charge to quota & offset to drawback of duty 1/	Direct consumption	Unfilled balance	Direct consumption
		duty	Total	tion	Total	tion
Short tons, raw value						
Domestic Beet	1,032,931		137,500		895,431	
Mainland Cane	317,843		40,000		277,843	
Hawaii	576,476		56,447	0	520,029	16,229
Puerto Rico	602,780		10,435 2/	10,435	592,345	59,907
Virgin Islands	8,220		0	0	8,220	0
Republic of the Philippines	490,000		60,201	1,338	429,799	28,622
Other foreign countries	147,128		42,586	6,758	104,542	28,289
Total Quotas	3,175,378		347,169	18,531	2,828,209	133,047

Subject to Section 408 (b) of Act 1,574,622 Allocated : 1,185,000 (For status see Table 14.)
 Unallocated: 389,622

Total Requirements 4,750,000

Details of other foreign countries

Peru	49,928	4,113	4,113	45,815	1,001
Dominican Republic	43,204	12,401	0	30,803	4,560 3/
Mexico	34,954	23,505	78	11,449	8,204
Nicaragua	7,300	0	0	7,300	5,461
Haiti	3,612	0	0	3,612	3,500
Netherlands	1,900	1,900	1,900	0	0 3/
China	1,842	0	0	1,842	1,842
Panama	1,842	0	0	1,842	1,842
Costa Rica	1,837	0	0	1,837	1,837
Canada	316	316	316	0	0 3/
United Kingdom	258	258	258	0	0 3/
Belgium	91	91	91	0	0 3/
British Guiana	42	0	0	42	42
Hong Kong	2	2	2	0	0 3/
Total	147,128	42,586 4/	6,758	104,542	28,289

LIQUID SUGAR 5/ Wine gallons of 72 percent total sugar content

Cuba	-		
Dominican Republic	415,447	34,779	380,668
Federation of the West Indies	150,000		150,000

1/ These data include the following: (a) Domestic beet and Mainland cane sugar partly estimated, (b) all other sugar entered or authorized as of January 31, 1962. 2/ In addition, 21 tons of direct-consumption sugar were brought in for subsequent return to Puerto Rico. 3/ Sugar held in Customs custody pending availability of quota: Belgium 901; Canada 176; Hong Kong 40; Netherlands 2,339; and the United Kingdom 2,248. Held for quota-exempt purposes, 8,545 from the Dominican Republic. 4/ Under Sec. 212 (1) charges to quota exclude 10 tons from West Germany, Ireland, Union of South Africa, Colombia, and from each country listed for which charges are shown. 5/ Under Sec. 212 (3) 999 gallons were entered from France, 962 from Poland, 113 from West Germany and 150 from Hong Kong.

Table 13. - Quota-exempt sugar entered under Sections 211 (a) and 212 (4) as of January 31, 1962

Source	For Reexport	For Feed	Total
Short tons, raw value			
Canada		21	21
Dominican Republic	9,277	3,480	12,757
French West Indies	11,761	-	11,761
Netherlands	294	-	294
United Kingdom	268	438	706
Union of South Africa	1,203	3,195	4,398
Total	22,803	7,134	29,937

Table 14. - Status of 1962 non-quota purchase sugar as of January 31, 1962

Area	:	:	Authorized for Entry for <u>1/</u>		:
	:	Authorized	:	Further	Direct-
	:	for	:	Processing	Consumption
	:	Purchase	:		
Total Unfilled Balance					
Short tons, raw value					
Dominican Republic	315,987	65,589	0	250,398	
Peru	280,070	59,213	0	220,857	
Mexico	255,648	63,045	0	192,603	
Philippines	175,655	83,621	0	92,034	
Nicaragua	42,700	0	0	42,700	
China (Formosa)	23,158	20,324	0	2,834	
Brazil	30,000	25,079	0	4,921	
British Guiana	307	0	0	307	
Costa Rica	3,163	0	0	3,163	
Panama	3,158	0	0	3,158	
Netherlands	3,100	0	3,100	0	
Haiti	1,388	0	0	1,388	
Belgium	666	0	666	0	
India	50,000	47,484	0	2,516	
Total	1,185,000	364,355	3,766	816,879	

^{1/} Charges to Purchase Allocations exclude the first ten tons entered from Brazil and India.

Table 15. - Primary distribution of sugar, continental United States, by States, December 1961

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct- consumption sugar	Mainland cane sugar mills	Total
Hundredweights ^{1/}					
New England					
Connecticut	123,019				123,019
Maine	55,735				55,735
Massachusetts	462,057		3,325		465,382
New Hampshire	31,474				31,474
Rhode Island	50,262		2,800		53,062
Vermont	25,821		1,102		26,923
Sub-total	749,358		7,227		756,585
Mid-Atlantic					
New Jersey	566,150		17,855	1,000	585,015
New York	1,411,930	49,455	18,097		1,479,482
Pennsylvania	971,504	29,050	29,993		1,030,547
Sub-total	2,949,584	78,505	65,955	1,000	3,095,044
North Central					
Illinois	760,030	833,646		89,784	1,683,460
Indiana	256,524	59,917			326,441
Iowa	43,546	106,361			149,907
Kansas	25,510	63,162			88,572
Michigan	258,233	271,310	400		529,943
Minnesota	47,897	142,191		1,000	191,088
Missouri	163,144	124,542		14,885	302,571
Nebraska	19,915	60,478			80,393
North Dakota	27	20,170			20,197
Ohio	561,241	165,757	2,487		724,511
South Dakota	3,365	29,510			32,875
Wisconsin	102,620	161,313		25,000	288,933
Sub-total	2,242,052	2,048,357	2,087	130,669	4,418,991
Southern					
Alabama	192,727		1,000	38,525	232,252
Arkansas	77,890	2,810			80,700
Delaware	18,862		800		19,662
District of Columbia	33,701		2,100		35,801
Florida	283,338		10,559	80,850	374,747
Georgia	359,109		1,155	4,570	364,834
Kentucky	198,576			10,700	209,276
Louisiana	306,924			15,426	322,350
Maryland	296,754		16,545		313,299
Mississippi	107,861			1,275	109,136
North Carolina	279,573		6,254	41,000	326,827
Oklahoma	71,775	34,295			106,070
South Carolina	132,921		211		133,132
Tennessee	282,918		100	46,603	329,421
Texas	369,326	109,484	954	55,792	535,566
Virginia	255,853	- 9	29,557		285,401
West Virginia	74,666	3,409	349		78,424
Sub-total	3,342,874	149,989	69,394	294,741	3,856,998
Western					
Alaska	625	1,206			1,831
Arizona	30,192	15,061			45,253
California	463,914	959,401	24,212		1,447,527
Colorado	6,655	80,608		600	87,863
Idaho	2,418	21,038			23,456
Montana	1,144	25,907			27,051
Nevada	4,132	3,375			7,507
New Mexico	6,470	15,835			23,305
Oregon	48,161	76,886	6,636		131,683
Utah	7,629	40,753			48,382
Washington	60,387	105,241	1,119		164,509
Wyoming	592	6,245			6,837
Sub-total	632,319	1,352,556	29,729	600	2,015,204
Grand total	9,916,197	3,629,407	170,218	427,010	14,142,832

^{1/} Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 16. - Primary distribution of sugar, continental United States, by States, Fourth Quarter, 1961

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct- consumption sugar	Mainland cane sugar mills	Total
Hundredweights ^{1/}					
New England					
Connecticut	333,032		1,240	600	334,872
Maine	158,130				158,130
Massachusetts	1,368,811		6,050	270	1,375,131
New Hampshire	76,931				76,931
Rhode Island	129,229		3,210		132,439
Vermont	73,991		4,102		78,093
Sub-total	2,140,124		14,602	870	2,155,595
Mid-Atlantic					
New Jersey	1,890,246		110,759	1,000	2,002,005
New York	4,289,761	30,566	121,726		4,542,053
Pennsylvania	2,853,838	137,517	196,247		3,187,602
Sub-total	9,033,845	268,083	428,732	1,000	9,731,660
North Central					
Illinois	2,120,653	2,645,870	4,102	207,604	4,978,229
Indiana	778,080	315,281	705	500	1,094,566
Iowa	149,052	360,465		1,300	510,817
Kansas	117,734	233,359			351,093
Michigan	751,819	869,849	2,400		1,624,068
Minnesota	140,381	515,884		2,450	658,715
Missouri	647,281	415,218		22,560	1,085,059
Nebraska	64,583	275,232		1,600	341,415
North Dakota	279	70,534			70,813
Ohio	1,631,231	468,512	44,954	1,000	2,145,697
South Dakota	10,292	114,917			125,209
Wisconsin	364,575	563,162		25,000	952,737
Sub-total	6,775,960	6,848,283	52,151	262,014	13,938,418
Southern					
Alabama	638,599		1,000	40,385	679,984
Arkansas	270,711	15,152			285,863
Delaware	59,953		2,152		62,105
District of Columbia	101,422		12,446		113,868
Florida	801,077	- 10	72,313	116,514	989,894
Georgia	1,214,464		4,655	5,760	1,224,879
Kentucky	655,200	1,972		20,499	677,671
Louisiana	939,465			22,955	962,420
Maryland	878,633		75,878		954,511
Mississippi	389,045			5,385	394,430
North Carolina	926,273		35,197	60,239	1,021,709
Oklahoma	280,159	88,332			368,491
South Carolina	420,815	143	1,986		422,944
Tennessee	910,846	7,022	126	70,403	988,397
Texas	1,547,497	376,129	10,200	56,812	1,990,638
Virginia	695,124	33,200	103,261	6,000	837,585
West Virginia	236,738	8,125	1,034		245,897
Sub-total	10,966,021	530,065	320,248	404,952	12,221,286
Western					
Alaska	3,487	3,009			6,496
Arizona	96,800	53,986			150,786
California	1,514,983	2,613,887	95,480		4,224,350
Colorado	26,024	271,979		600	298,603
Idaho	10,212	62,133			72,345
Montana	4,919	78,747			83,666
Nevada	15,117	10,360			25,477
New Mexico	25,736	47,385			73,121
Oregon	148,804	211,609	30,200		390,613
Utah	20,713	121,009		600	142,322
Washington	172,615	368,665	19,131		560,411
Wyoming	1,444	18,395			19,839
Sub-total	2,040,854	3,861,164	144,811	1,200	6,048,029
Grand total	30,956,804	11,507,595	960,554	670,036	44,094,989

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 17. - Primary distribution of sugar, continental United States, by States, January-December 1961

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct- consumption sugar	Mainland cane sugar mills	Total
Hundredweights ^{1/}					
New England					
Connecticut	1,315,785		28,911	1,280	1,345,976
Maine	706,533				706,533
Massachusetts	5,217,215		29,544	1,230	5,247,989
New Hampshire	365,285				365,285
Rhode Island	529,498		18,587		548,185
Vermont	300,868		6,502		307,370
Sub-total	8,435,184		83,644	2,510	8,521,338
Mid-Atlantic					
New Jersey	7,709,565		535,759	3,000	8,248,324
New York	16,653,895	555,616	738,729	663	17,948,903
Pennsylvania	11,157,885	584,492	1,130,540		12,873,017
Sub-total	35,521,345	1,140,108	2,405,128	3,663	39,070,244
North Central					
Illinois	8,262,944	9,887,192	5,907	462,135	18,618,178
Indiana	3,171,729	1,528,259	5,285	2,100	4,707,373
Iowa	602,099	1,654,357		21,900	2,278,356
Kansas	469,782	984,974		2,000	1,456,756
Michigan	2,745,725	3,971,203	8,816		6,725,744
Minnesota	440,135	2,147,183	3,050	6,140	2,596,508
Missouri	2,645,625	1,953,952		42,700	4,642,277
Nebraska	237,209	1,229,194		6,800	1,473,203
North Dakota	4,402	274,598			279,000
Ohio	6,286,413	2,629,961	53,380	2,100	8,971,854
South Dakota	34,305	534,974			569,279
Wisconsin	1,573,116	2,185,824	28,025	25,330	3,812,295
Sub-total	26,473,484	28,981,671	104,463	571,205	56,130,823
Southern					
Alabama	2,824,942		1,000	53,349	2,879,291
Arkansas	1,141,991	75,866		200	1,218,057
Delaware	255,059		14,142		269,201
District of Columbia	412,548		72,745		485,293
Florida	2,677,645		850,360	232,377	3,760,382
Georgia	5,458,585		32,114	21,324	5,512,023
Kentucky	2,546,003	59,217	25,815	29,601	2,660,636
Louisiana	3,868,469		263	50,543	3,919,275
Maryland	3,832,356	8,865	350,150		4,191,371
Mississippi	1,732,401			13,818	1,746,219
North Carolina	3,588,583		531,635	63,999	4,184,217
Oklahoma	1,196,715	350,120		340	1,547,175
South Carolina	1,785,902	143	53,848		1,839,893
Tennessee	3,651,864	42,023	456	110,840	3,805,183
Texas	6,994,083	1,415,237	54,834	51,682	8,525,836
Virginia	2,560,434	98,597	521,749	6,500	3,187,280
West Virginia	935,612	31,302	19,251		986,165
Sub-total	45,463,192	2,081,370	2,528,362	544,573	50,717,497
Western					
Alaska	35,333	17,308			52,641
Arizona	399,132	221,139			620,271
California	6,825,276	10,632,269	274,191	600	17,732,336
Colorado	91,004	1,147,841		600	1,239,445
Idaho	47,060	337,610			384,670
Montana	21,150	357,960			379,110
Nevada	64,992	47,648			112,640
New Mexico	109,301	219,000			328,301
Oregon	652,715	1,093,040	120,299		1,866,054
Utah	69,945	630,513		600	701,058
Washington	698,630	1,745,031	105,406		2,549,067
Wyoming	6,802	96,085			102,887
Sub-total	9,021,340	16,545,444	499,896	1,800	26,068,480
Grand total	124,914,545	48,748,593	5,621,493	1,223,751	180,508,382

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 18.- Primary distribution of sugar, continental United States, by states, calendar years 1951 and 1960

State and region	Cane sugar refiners		Beet processors		Total all Primary Distributors ^{2/}	
	1951	1960	1951	1960	1951	1960
Thousands of hundredweights ^{1/}						
New England						
Connecticut	1,316	1,297			1,346	1,358
Maine	707	703			707	710
Massachusetts	5,217	5,076			5,248	5,182
New Hampshire	365	356			365	357
Rhode Island	529	518			548	548
Vermont	301	243			307	326
Sub-total	8,435	8,193			8,521	8,481
Mid-Atlantic						
New Jersey	7,710	7,463			8,248	8,180
New York	16,654	15,607	556	224	17,949	17,414
Pennsylvania	11,158	10,216	584	207	12,873	12,494
Sub-total	35,522	33,286	1,140	431	39,070	38,088
North Central						
Illinois	8,263	8,050	9,887	8,537	18,618	16,932
Indiana	3,172	3,321	1,528	1,094	4,708	4,452
Iowa	602	593	1,655	1,509	2,278	2,109
Kansas	470	487	985	973	1,457	1,460
Michigan	2,746	3,127	3,971	2,749	6,726	6,059
Minnesota	440	423	2,147	2,051	2,597	2,487
Missouri	2,646	2,912	1,954	1,389	4,642	4,311
Nebraska	237	258	1,229	1,238	1,473	1,496
North Dakota	4	9	275	322	279	331
Ohio	6,287	7,746	2,630	1,224	8,972	9,089
South Dakota	34	33	535	474	569	507
Wisconsin	1,573	1,379	2,186	1,979	3,812	3,479
Sub-total	26,474	28,338	28,982	23,549	56,131	52,712
Southern						
Alabama	2,825	2,983			2,879	3,005
Arkansas	1,142	1,163	76	37	1,218	1,200
Delaware	255	235			269	248
District of Columbia	413	471			486	532
Florida	2,678	1,710			3,761	3,705
Georgia	5,458	4,955			5,912	5,408
Kentucky	2,546	2,427	59	10	2,661	2,530
Louisiana	3,868	3,666			3,919	3,717
Maryland	3,832	3,712	9		4,192	4,112
Mississippi	1,732	2,007			1,746	2,022
North Carolina	3,589	3,276			4,184	4,165
Oklahoma	1,197	1,273	350	289	1,547	1,564
South Carolina	1,786	1,740			1,840	1,857
Tennessee	3,652	3,522	42		3,805	3,624
Texas	6,994	6,799	1,415	1,363	8,526	8,325
Virginia	2,560	2,296	99	25	3,187	3,285
West Virginia	936	963	31	5	986	1,020
Sub-total	45,463	43,192	2,081	1,729	50,718	50,319
Western						
Alaska	35	30	17	18	52	48
Arizona	399	369	221	210	620	579
California	6,825	6,843	10,632	9,296	17,733	16,422
Colorado	91	83	1,148	1,025	1,239	1,109
Idaho	47	43	338	327	385	370
Montana	21	23	358	332	379	355
Nevada	65	68	48	42	113	110
New Mexico	109	131	219	193	328	324
Oregon	653	595	1,093	973	1,866	1,703
Utah	70	59	631	638	701	697
Washington	699	717	1,745	1,616	2,549	2,465
Wyoming	7	7	96	106	103	113
Sub-total	9,021	8,968	16,546	14,775	26,068	24,295
Grand total	124,915	121,977	48,749	40,485	180,508	173,895

^{1/} Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

^{2/} Includes deliveries by importers of direct-consumption sugar and mainland cane sugar mills.

Table 19. - Sugar prices

Year and Month	:Raw cane sugar-spot prices:			Quota 3/	: Refined Beet Sugar - Quoted		
	: Domestic :			Premiums	: Wholesale (Gross) 4/		
	: Sugar at N.Y. "World" :			and	: Chicago : Pacific		
	: Duty Paid 1/ : Sugar 2/ :			Discounts	Eastern	West	Coast
Cents per pound							
1957-61 Monthly Average	6.27	3.53	+1.82	8.62	8.67	9.01	
1960 Monthly Average	6.30	3.14	+2.21	8.79	8.77	8.96	
1961 Monthly Average	6.30	2.91	+2.45	8.36	8.59	8.84	
1961							
February	6.32	2.97	+2.45	8.35	8.80	8.95	
March	6.25	2.97	+2.40	8.26	8.75	8.92	
April	6.25	3.14	+2.20	8.25	8.60	8.80	
May	6.46	3.35	+2.18	8.25	8.61	8.80	
June	6.48	3.20	+2.33	8.35	8.75	8.80	
July	6.39	3.05	+2.38	8.35	8.42	8.80	
August	6.06	2.80	+2.29	8.35	8.40	8.80	
September	6.06	2.69	+2.41	8.35	8.40	8.80	
October	6.19	2.73	+2.50	8.35	8.40	8.80	
November	6.29	2.53	+2.80	8.48	8.53	8.80	
December	6.40	2.46	+2.98	8.55	8.72	8.80	
1962							
January	6.45	2.30	+3.23	8.95	8.80	8.81	
Last 12-Month Average	6.30	2.85	+2.51	8.40	8.60	8.82	

Year and Month	: Refined Cane Sugar - Quoted Wholesale (Gross) 4/						: Refined
	: New : South : Chicago : Pacific						: Retail
	: York : East : Gulf : West : Coast						: U. S.
							: Average
Cents per pound							
1959-61 Monthly Average	9.32	9.19	9.18	8.86	9.05	11.43	
1960 Monthly Average	9.43	9.40	9.39	8.97	8.96	11.63	
1961 Monthly Average	9.40	9.25	9.23	8.76	8.84	11.77	
1961							
February	9.55	9.39	9.50	8.80	8.95	11.88	
March	9.55	9.30	9.50	8.80	8.92	11.88	
April	9.45	9.30	9.50	8.80	8.80	11.86	
May	9.41	9.31	9.42	8.81	8.80	11.84	
June	9.55	9.45	9.25	8.95	8.80	11.82	
July	9.40	9.41	9.07	8.66	8.80	11.78	
August	9.36	9.20	9.00	8.60	8.80	11.74	
September	9.30	9.10	9.00	8.60	8.80	11.64	
October	9.19	9.05	9.00	8.60	8.80	11.68	
November	9.19	9.00	9.00	8.73	8.80	11.62	
December	9.30	9.00	9.00	8.90	8.80	11.62	
1962							
January	9.37	9.06	9.00	8.90	8.80		
Last 12-Month Average	9.38	9.21	9.19	8.75	8.82	11.76 5/	

1/ Spot prices during 1956-60 were for sugar in bags under Contract No. 6 plus .50 cent per pound duty (Cuban). Beginning with 1961, spot prices are for bulk sugar under Contract No. 7, the terms of which are duty paid or duty free.

2/ Spot prices during 1956-60 based on No. 4 Contract which was for bagged sugar F.A. S. Cuba. Beginning with 1961 spot prices are those under No. 8 Contract which is also for bagged sugar but F.O.B. and stowed at Greater Caribbean ports (including Brazil).

3/ For 1956-1960 these amounts are the difference between the spot prices of the No. 6 "Domestic" Contract rolled back to Cuba (minus freight and insurance) and the spot prices of the No. 4 "World" Contract. Beginning with 1961 the No. 7 "Domestic Bulk" Contract has been adjusted by deducting duty (.625¢) computed freight, insurance and unloading charges, and adding the bag allowance (currently .04¢) before calculating the differential from No. 8 "World" Contract spot prices.

4/ These are basis prices in 100 pound paper bags, NOT delivered prices. To obtain delivered prices add "Freight Prepay" and deduct discounts and allowances. For illustration see Sugar Reports 81, January 1959, pages 5 to 9.

5/ 11-Month Average

Table 20. - Refined sugar production and month-end stocks

Year and Month	Production		Month-end Stocks ^{1/}	
	Cane sugar	Beet	Cane sugar	Beet
	refiners	processors	refiners	processors
1,000 short tons, raw value				
1957-61 monthly average	529	189	297	861
1960 monthly average	542	203	312	915
1961 monthly average	553	198	292	932
<u>1961</u>				
February	426	17	305	1,427
March	555	24	334	1,250
April	492	76	347	1,151
May	636	55	274	991
June	573	45	303	786
July	579	44	306	562
August	685	93	312	362
September	580	106	256	211
October	554	585	256	586
November	570	614	257	988
December	514	474	245	1,268
<u>1962</u>				
January ^{2/}	510	240	290	1,370
Last 12-month average	556	198	290	913

^{1/} Includes over-quota and quota exempt sugar.^{2/} Preliminary.

ADDENDA; For insertion as pages 29 and 30 Sugar Reports No. 117, January 1962, for completion of reference guide to Sugar Reports published during 1960 and 1961.

S (cont'd)

	<u>Sugar Reports</u>	
	<u>No.</u>	<u>Page</u>
C. Changes		
1. Proposed in Sugar Act		
c. Administration recommendations to amend and extend the Sugar Act of 1948, as amended	95	6-7
4. 1960 amendment to Sugar Act, Proclamation by the President, and subsequent actions relating to sugar supplies	99 100 102 104	6-21 4-11 8-10 14-20
F. Program		
2. Including changes in 1960 and 1961	115	5-18
III. <u>Supplies and requirements of Sugar, U.S.</u>		
F. 1959	98	6-13
G. Surplus and Deficit areas	107	6-17
H. Changing pattern of supply sources	110	2
I. 1960	110	6-12

Continued on next page

T

Sugar Reports	
<u>No.</u>	<u>Page</u>

II. Transportation

A. Sugar transportation between marketing territories

1. 1955 (this was indexed in Sugar Reports 93 without a sub-number)	64	7-17
2. 1955-58	95	9-15 18
3. 1958 versus 1955	97	6-12

W

II. D. An 80-year prospective of world sugar	112	5-11
--	-----	------

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
Sugar Division
Washington 25, D. C.

POSTAGE AND FEES PAID

OFFICIAL BUSINESS